



**Faculty Cognitive Sciences and Human Development**

**Mediating Effect of Transfer of Training Between Relationship of  
Training Input Factors and Employee Performance in a Private  
Company in Malaysia.**

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**Bachelor of Science (Honours)  
Human Resource Development  
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**Mediating Effect of Transfer of Training Between Relationship of Training  
Input Factors and Employee Performance in a Private Company in  
Malaysia.**

Koay Chun Chong

This project is submitted in partial fulfilment of the requirements for the degree of Bachelor  
of Science (Honours) Human Resources Development

Faculty of Cognitive Science and Human Resources Development UNIVERSITI  
MALAYSIA SARAWAK (2020)

## Statement of Originality

The work described in this Final Year Project, entitled  
**“Mediating Effect of Transfer of Training Between Relationship of  
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2nd July 2021

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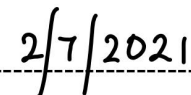
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## **ABSTRACT**

Transfer of training is crucial in achieving employee performance and a more effective training program. This study examined that there is a significant relationship between training input factors and employee performance as well as transfer of training. Besides, the study also found there is a mediation effect of transfer of training between training input factors and employee performance. This result indicates that it is crucial for HR practitioners and organization in emphasizing on achieving the success of training transfer by employees when conducting training program in order to obtain better employee performance.

*Keywords:* training & development, transfer of training, employee performance

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## **CHAPTER ONE**

### **INTRODUCTION**

The improvement of competencies in workforce is an vital source of competitive advantage in business world. (McKinsey, 2006). The globalization result in pressures and continuing changes to organization. Hence, employee training and development are essential in order to cope with the global needs of employee performance (Doo, 2006). Employee are precious asset in contributing and affecting company reputation and profitability (Khan, Abbasi, Waseem, Ayaz, & Ijaz, 2016). It is employees' duty in carrying out necessary tasks to keep organization operating as well as fulfilling customer demands by producing quality products and services. Training and development able to develop employees' maximum potential as it provides employees essential skills and knowledge for accomplishing their job. However, if the employees unable to facilitate the training transfer to their job, then the training indicates non-profits to the organization nor employees.

#### **Transfer of Training**

According to Baldwin & Ford (1988), transfer of training refers to the transfer of knowledge and skills acquired during training program to the job and the retainment of the acquired competencies overtime. The study described training-input factors in three categories - trainee characteristics, training design, and work environment are recognized to have influence on training transfer. The training design centered on four major principles which is identical elements, teaching of general principles, stimulus variability, and various condition of practice. Elangovan and Karakowsky (2000) classified Trainee Characteristics into two categories which is motivation and ability related factors. Meanwhile, work environment factors refer to aspects in employees' working environment which either promote or prevent the process of transfer of training.

Na-nan, Chaiprasit & Pukkeeree, (2017) described transfer of training as a process where the employees retain and utilize the competencies that acquired from training programs to their job. The study shown the workplace environmental factors have direct effect on participant's training transfer decisions and behaviour. The factors consist of organizational support, supervisor support, peer support, technological support and opportunities to apply acquire skills towards job. Furthermore, individual-level factor such as motivation also found to be significantly influenced the participant's transfer decisions. Hence, the study findings indicates that both factors should be taken as consideration by businesses to ensure the effectiveness of training transfer.

Besides, the study of Bhatti, Isa, & Battour (2014) stated factors like learner readiness, supervisor and peer support, training design, performance self-efficacy, intrinsic rewards, and affective reaction will affect learner's transfer motivation. Researchers (Kirwan & Birchall 2006; Liebermann & Hoffmann, 2008) stated that transfer motivation affect the training transfer. The study found that individual factors such as performance self-efficacy, learner readiness, training retention are positively related to training transfer mediated by transfer motivation. Environmental factors like peer and supervisor support found out to affect training transfer mediated by transfer motivation. Furthermore, the study also indicated that perceived content validity and transfer design both affects trainees' performance self-efficacy. The intrinsic rewards also found to develop a positive affective reaction as well as enhance retention and encourage training transfer as rewards act as a positive reinforcement. Velada, Michel, Caetano, & Lyons (2007) study proved that transfer design, self-efficacy, training retention, and feedback were significantly related to transfer of training. However, supervisor support did not significantly influence transfer of training.



## **Employee performance**

Employee performance refers to the job performance of an employee in accomplishing the tasks given to workers by the top management (Khan et al., 2016). Elnaga & Imran, (2013) explained employee performance can be increased through training and development as the enhancement of employees' capabilities and skills in carrying out job related work.

Employees who participated in training program tend to retain longer on their job than those who do not. An effective training program indicates providing desired knowledge, skills and abilities to the employees to perform better on the job (Elnaga & Imran, 2013). Employee performance plays a crucial role in leading success or failure to organization or company. This is because employees tend to have higher job satisfaction and job commitment when they are more developed (Hameed & Waheed, 2011). According to Kum, Cowden and Karodia (2014), training improves employee morale and motivates employee to enhance their performance. Employee turnover and mistakes also reduced after training. Training increases organizational productivity through employee performance. Khan et al., (2016) stated that employee performance is increased with higher job satisfaction among employees if they are provided with training programs.

However, training can only be considered as effective when employees successfully transfer learned skills to the job site. Elangovan & Karakowsky (1999) stated that transfer of training plays a crucial role in determining the utilization and effectiveness of developed training programs in organizations. This indicates that training program are worthless unless the employees successfully applied and retain the competencies that acquired during training phase to their job.

## **Nexent Sdn. Bhd.**

The Nexent company is the first AI investment company announced by Skymind in 2021 as an intelligence business in providing dashboard that assist enterprises in understanding and utilizing their data. According to Symcox (2021), Skymind serves the purpose in encouraging AI innovations towards the society in assisting companies and organizations to develop their own AI applications by providing service support such as financial backing, talent acquisition and corporate client collaboration. The core business function of Nexent focused converting business raw data by using extensive back-end AI analytic system. It can be simplified as a quick access by stakeholders or decision makers in viewing live data with a single command and developing effective strategies and planning. The Nexent company began as a novel business without much histories to be described but the nature of its business in interpreting big data with the uses of AI certainly crucial in providing aids to financial services firms. As a new business without much research practices implemented. This proposed study will be useful to the management and HR department in the company as it reveal the importance and relationship of training transfer and employee performance. The new evidence and insights provided by this study will further contribute as guidance to allow the management in developing more effective training program that help them to achieve better employee performance.

## **Problem statement**

Two main gaps will be included in the problem statement which is knowledge gap and empirical gap. It is veritably confirmed that training and development significantly impact the employee performance according to the studies made (e.g., Khan et al., 2016; Hameed & Waheed, 2011; Kum et al., 2014; Nassazi, 2013; Elnaga & Imran, 2013; Boadu, Dwomo, Boakye & Kwaning., 2014; Falola, Osibanjo & Falola, 2014; Onyango & Wanyoike, 2014; Atan, Raghavan & Mahmood, 2015; Quartey, 2012; Sandamali, Padmasiri, Mahalekgme & Mendis 2018). These studies reveal the effect of training and development on employee performance can be happened through various factors such as HRM practices, work environment, training design, incentives, management support, etc.

Baldwin & Ford (1988) research stated the training input factors that affects transfer of training consist of trainee characteristics, training design, and workplace environment. Numerous of studies had been conducted to investigate the training input factors influencing transfer of training (e.g., Na-nan et al., 2017; Battour, Sundram, & Othman, 2012; Bhatti & Kaur, 2009; Velada et al., 2007; Nikandrou, Brinia, & Bereri, 2009; Bhatti, et al., 2014). The following studies proved trainees' training transfer can be influence by trainee characteristics, training design, and workplace environment.

However, there is lack of empirical evidence provided regarding the mediation effect of transfer of training between the relationship of training input factors and employee performance according to the studies mentioned. Furthermore, most of the studies are conducted in other countries instead of Malaysia. Hence, it is important that this study needs to be conducted to further to explore and enhance the empirical evidence regarding the mediation effect of transfer of training on training input factors and employee performance.

## **Research Objectives**

### **General objective**

1. To determine transfer of training mediates the relationship between training input factors and employee performance.

### **Specific objectives**

1. To investigate the relationship between training input factors and employee performance.
2. To investigate the relationship between trainee characteristics and transfer of training.
3. To investigate the relationship between training design and transfer of training.
4. To investigate the relationship between workplace environment and transfer of training.
5. To investigate the mediating effect of transfer of training in the relationship of training input factors and employee performance.

## **Research Questions**

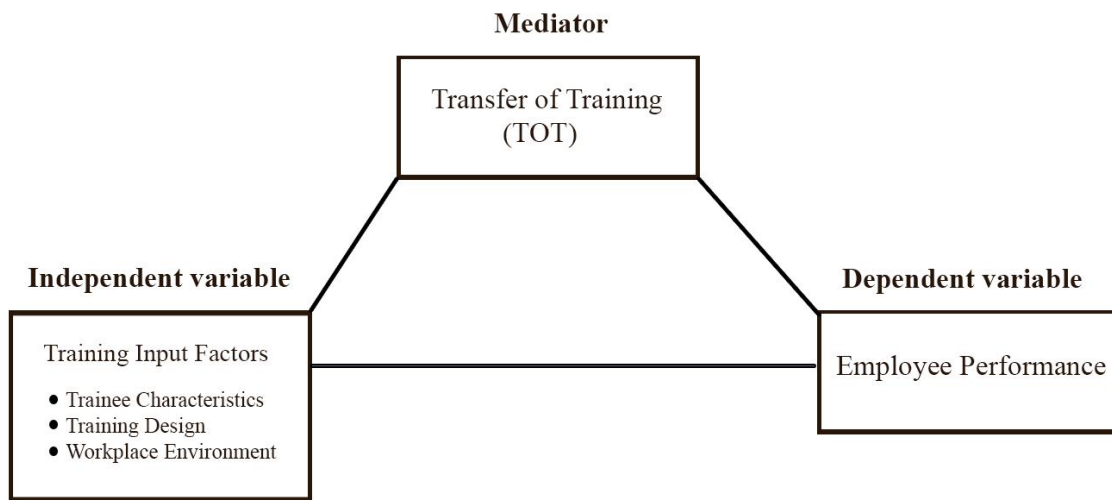
1. Does training input factors significantly influence employee performance?
2. Does trainee characteristics significantly influence transfer of training?
3. Does training design significantly influence transfer of training?
4. Does workplace environment significantly influence transfer of training?
5. Does transfer of training mediates the relationship between training input factors employee performance?

**Null Hypothesis:**

Ho1	There is no significant relationship between trainee characteristics and employee performance.
Ho2	There is no significant relationship between training design and employee performance.
Ho3	There is no significant relationship between workplace environment and employee performance.
Ho4	There is no significant relationship between trainee characteristics and transfer of training,
Ho5	There is no significant relationship between training design and transfer of training.
Ho6	There is no significant relationship between workplace environment and transfer of training.
Ho7	There is no mediation effect of transfer of training between trainee characteristics and employee performance.
Ho8	There is no mediation effect of transfer of training between training design and employee performance.
Ho9	There is no mediation effect of transfer of training between workplace environment and employee performance.

*Table 1: Null Hypothesis*

## Conceptual framework



*Figure 1: Proposed Conceptual Framework*

The conceptual model shown transfer of training as a mediator between the relationship between training input factors and employee performance. The framework portrayed the training input factors (trainee characteristics, training design, and workplace environment) as independent variables and employee performance as dependent variable.

## Significance of the study

This study provides a direction to organization and HR practitioner since it focused on three crucial components in HRD practices which is the training input factors, transfer of training, and employee performance. Transfer of training will be portrayed as mediator towards the training input factors and employee performance in this study. Hence, the importance of this study is believed to be providing the awareness of organization regarding the mediation effect of transfer of training on training input factors and employee performance. Organization able to benefits from this study as it focuses on how employee performance is affected or enhanced by transfer of training. Future Human Resource Practitioners will also benefits

from this study by the understanding employee performance can be increase through training transfer.

### **Limitations of the study**

This research is only conducted in a private company in Malaysia which participants will be given questionnaire to be completed. The sample size of the study is rather small with only 41 employees participated in the survey. The smaller sample size might not be able to provide a better comprehensiveness regarding the study topic. Moreover, the influence of Covid-19 also result issues in collecting data. The response rate from the participants might differ due to the work-from-home structure established by the company.

### Definition of terms

Terms	Conceptual Definition	Operational Definition
Training and Development	The concept of training and development is a technique in transferring employees relevant skills and knowledge in improving their job performance (Falola et.al, 2014).	Increased performance of employees by applying competencies learned from training program.
Transfer of Training	The concept of transfer of training refers to the extent of transfer of training's knowledge and skills by employee to the job (Baldwin & Ford, 1988).	The process of training transfer mainly impacted by three major elements which is trainee characteristics, training design, and workplace environment.
Employee Performance	The concept of employee performance refers to the efficiency of employees in accomplishing the tasks given to workers by the top management (Khan et al., 2016).	The number of tasks completed by employee according to the establish standards.

*Table 2: Definition of Terms*



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Trainee Characteristics**

Trainee characteristics or learner characteristics represents individual's ability and motivation in transferring acquired skills and knowledge to the job. It is crucial to examine and understand the Trainee characteristics in facilitating to process of transfer of training. Many studies have identified trainee characteristics that affect the training transfer. Baldwin & Ford (1988) defined trainee characteristics such as ability, motivation, and personality as factors in affecting the process of training transfer. Elangovan & Karakowsky (1999) categorized trainee characteristics into two categories - motivation related factors and ability related factors. The motivation related factors emphasized on the elements regarding trainee's desire in applying the knowledge and skills acquired from training program to the job. Motivation related factors that consist of perception towards training, choices on training, job involvement, self-efficacy, and outcome expectancies are listed as the components that facilitate transfer of training. Meanwhile, ability related factors such as knowledge acquisition and situation recognition are posited as the ability of trainees in applying learned skills in performing their job.

Nikandrou et al., (2009) study described trainees' perception towards training from the aspect of career utility and job utility. The research result reveal that if trainees believe the training program will benefits them in their current job position, the more likely the trainees are motivated and interested in participating themselves in the training program and this result in a better training transfer as they believe the training is helpful for their career. Besides, trainees express more interest and motivation if the knowledge and skills from the training program will help them perform better in their job. These expectations able to enhance

trainee's commitment and involvement in the training as they figuring on how they can enrich their job and improving themselves. Hence, these attitudes further helps to create a better training transfer when the trainees possesses a positive perception towards the training program. Bhatti et al., (2014) described learner readiness and performance self-efficacy as individual characteristics transferring their skills. Result of the study shown both components influence the training transfer through the mediation of transfer motivation. Hence, self-efficacy are believed to boost trainees' confidence in overcoming challenges in transferring their skills while the more prepared the trainees in participating the training, the more likely the trainees successfully facilitate the training transfer. Study of Velada et al., (2007) reveal that performance self-efficacy and retention of the training content are significantly influence transfer of training. The findings indicates that the trainees are more confident with their capabilities to transfer learned skills and knowledge when they successfully retain the training content.

## **Training Design**

Baldwin & Ford (1988) proposed four instructional design variables that influence training transfer in workplace which is identical elements, teaching of general principles, stimulus variability, various condition of practice. The concept of identical elements can be explained as transfer is maximized if the training program possessed with more identical elements. Teaching of general principles refers to the trainees are not just taught with applicable skills but also general rules and theories that included in the training program. Furthermore, the existence and placement of relevant training stimulus also maximized training transfer when trainees enhanced their understanding through the application learned concept in new situation. The conditions of practice emphasized on training design issues such as massed or distributed learning, feedback, and over learning.

Doo (2001) study findings reveal similar evidence with these training design variables where the trainees confirmed the training content are mostly matched and similar with their job requirements except for one language conversion issue. Besides, the instructional methods in the training program promoted better learning during the training and the trainees claimed to retained and applied the learning principles to perform their job. Velada et al., (2007) believe that trainees able to facilitate transfer when training content is designed similar to their actual work. This finding implies that organization should emphasize on developing a training content from the aspects of activities, exercises, and examples that is similar and applicable to the jobs. Bhatti & Kaur (2009) explained the importance of training design factors such as transfer design as it enlightened the learners regarding the ways they can apply their knowledge and skills to the workplace. The study further argued that learners confidence level is increased when they are capable to transfer learned skills and knowledge to their actual job. Hence, transfer design factor does not only focus on how skills learned are applied

but also boosted the learner's self-efficacy level. Chauhan et al., (2016) study suggest that training designers should consider designing training programmes with activities and elements that ensure the application of principles and methods by the trainees. The inclusion of practice session after every learning session is necessary too in assisting trainees better retain the knowledge and skills.